

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1944 - SB 2462**

February 9, 2018

**SUMMARY OF BILL:** Makes several changes to the *Industrial Loan and Thrift Companies Act*, related to the regulation of industrial loan and thrift companies, including but not limited to, establishing that the computation of the maximum allowable interest rate on certain precomputed loans offered by industrial loan and thrift companies only be applied on the amount financed or the principal, rather than the total amount of the loan.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The Department of Financial Institutions (DFI) holds the responsibility of ensuring industrial loan and thrift companies comply with applicable law.
- Based on information provided by the DFI, the department can train its examiners to ensure compliance with the requirements of this legislation utilizing existing resources without an additional appropriation or reduced reversion.
- This legislation affects contracts between two private entities; therefore, it is estimated to have no significant impact upon state government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumptions:

- This legislation could result in a decrease in interest revenue for industrial loan and thrift companies in Tennessee which currently compute maximum allowable interest on a base greater than the amount financed or the loan's principal. Any reduced interest revenue to industrial loan and thrift companies will translate into expenditure savings for respective borrowers.
- The extent of any net impact on spending in Tennessee is dependent upon multiple unknown factors and cannot be reasonably determined.
- The net impact on commerce and jobs in Tennessee is estimated to be not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb